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A CONCISE SYSTEM
OF
BOOK-KEEPING,
APPLICABLE TO
SOLICITORS' ACCOUNTS.

BY
A MANAGING CLERK.

London:

T. BRETTELL, RUPERT STREET, HAYMARKET.

MDCCCLXII.

~~180. C. 202.~~
101 . 124

[ENTERED AT STATIONERS' HALL.]



THE OFFICE COSTS BOOKS.

Those in general use are the day book, journal, and bill book ; but by having an index to the day book, the journal may be dispensed with. For example, suppose attendances on A. B. to be entered at pages 1, 10, and 100 of the day book, the index would be, A. B. 1, 10, 100, and, on making out his bill, nothing more would be requisite than to refer to those pages, and extract the charges, taking care, however, when that is done, to run the pen through the indexed pages, thus, ~~1. 10. 100.~~

This plan is adopted in several offices of extensive practice, and is found to work well.

It is usual in many offices, before the bills are delivered, to have them copied by hand into the bill book : but the best way is to have machine copies made, in a book for the purpose, in the same way that the letters are copied.

THE ACCOUNT BOOKS.

The only really requisite books are a cash book and ledger.

THE CASH BOOK.

As a multiplicity of columns tends to create confusion, it is better to have one only for each side of this book, the entries in which should consist simply of actual cash receipts on the one hand, and of actual cash payments on the other.

THE LEDGER.

The accounts to be opened in the ledger may be classified under the following heads :—

1. Clients' Accounts.
2. Bills of Costs or Law Account.
3. Office Expenses Account.
4. Office Disbursements Account.
5. Profit and Loss Account.
6. Cash Account.

1. *As to the Clients' Accounts.*

When a bill has been made out against a client, and copied into the bill book, it should be posted to his debit in the ledger. Also when a payment has been made, by a client, and the receipt of the sum entered in the cash book, the amount should be posted to his credit in the ledger.

2. *Bills of Costs or Law Account.*

Every bill with which a client is debited in the ledger should at the same time be posted on the credit side of the bills of costs or law account.

3. *Office Expenses Account.*

In this account should be posted all such disbursements as have been made for clerks' salaries, stationery, and the like.

4. *Office Disbursements Account.*

And in this all such disbursements as have been made for stamps, counsels' fees, and the like.

5. *Profit and Loss Account.*

Whenever the books are balanced, the balance of the bills of costs or law account should be transferred to the credit side of this account, and the totals of office expenses and office disbursements transferred to the debtor side of it. The difference will give the amount of profit or loss.

6. *Cash Account.*

On principle the cash book is supposed to be copied into the ledger, but that is never done, the amounts only of receipts and payments being posted into this account periodically.

The nature and object of the several classes of ledger accounts having been explained, let it be presumed that the "cash book," inserted at pages 10 and 11, contains the whole of the actual cash receipts and payments for the month of January last, and that bills have been made out during the same period, as per the bill book, page 9.

In the first place, each of the bills in the bill book should be posted into the ledger, on the credit side of the bills of costs or law account, and a separate account also opened with each client, in which he should be debited with the amount of his bill. When this has been done, the cash book ought next to be posted, and on referring to the cash book, page 10, the 1st item of receipts is £.20 for costs. This amount should be posted to the credit of the client paying the money. The 2nd item under the same head is £.17 for a bill of costs, on which an abatement of 17s 7d. was allowed. The abatement should be posted to the debtor side of law account, and the cash received, together with the amount of the abatement, to the credit side of the client's account. The 3rd item is a receipt of interest for a client, and the amount should be posted to the credit of the client for whom the money was received. The 4th, 5th, 6th, 7th, 8th, 9th, and 10th items being similar in effect to item No. 2, must be posted in like manner, except as to No. 7, in which no abatement was allowed.

As to the cash payments, the items Nos. 1, 2, 3, 5, 9, 12, 13, 16, and 17 should be posted to the debit of the office expenses account. Nos. 4, 6, 8, 10, 11, 14, and 15 to the debit of office disbursements account, and No. 7 to the debit of Francis Newman's account.

The total amount of receipts and payments for the month of January should next be posted into the ledger, to the debit and credit respectively of the cash account.

The state of the ledger, when posted as above suggested, would be as shewn by the ledger, page 12.

The ledger being now closed, it is of course desirable to

know whether the accounts are all correct (for mistakes in posting or otherwise might readily be made). This is ascertainable in the following way:—

| | £. | s. | d. |
|---|-----|----|----|
| The balance of the bills of costs or law account, | | | |
| after deducting the abatements, is, . . . | 816 | 6 | 10 |
| From this deduct the | | | |

| | £. | s. | d. |
|----------------------------------|-------|----|-------|
| Amount of office expenses, . . . | 79 | 2 | 6 |
| „ „ disbursements, . . . | 55 | 0 | 6 |
| | <hr/> | | |
| | 134 | 3 | 0 |
| | | | <hr/> |

| | | | |
|---|-----|---|----|
| And the difference shews the amount of profit to be, . . . | 682 | 3 | 10 |
|---|-----|---|----|

Which amount consists of debts
due to the concern, as per
clients' accounts, 360 6 10

| | | | |
|---|-------|----|-------|
| And of the balance of the cash receipts beyond the cash payments, | 321 | 17 | 0 |
| | <hr/> | | |
| | 682 | 3 | 10 |
| | | | <hr/> |

The other advantages of this system are that the solicitor can tell at any time

- 1st. The state of his account with each client.
- 2nd. The amount of bills made out for any given period.
- 3rd. The amount expended for the office, as distinguished from the expenditure for clients.
- 4th. The amount of his profit or loss.

PARTNERSHIP ACCOUNTS.

The system is equally adapted for partnership accounts, and nothing more is requisite, on the receipt or payment of money by a partner, than to enter the amount in the cash book, as a receipt or payment, and to open an account with such partner in the ledger, debiting him with sums received from time to time, and crediting him with any payments made. When the books are balanced, his proportion of the profit or loss should be transferred from the profit and loss account to his private account.

BILL BOOK.

Bills made out, and copied into the Bill Book during the
Month of January 1862.

| Date. | No. | Name. | Folio. | Amount. | | |
|-------|-----|-----------------------|--------|---------|----|----|
| | | | | £. | s. | d. |
| | 1 | Henry Barfoot, . . | | 20 | 0 | 0 |
| | 2 | Francis Newman, . . | | 17 | 17 | 7 |
| | 3 | David Mowlan, . . | | 20 | 2 | 6 |
| | 4 | Charles Curtis, . . | | 19 | 9 | 0 |
| | 5 | Benjamin Lambert, . . | | 20 | 5 | 0 |
| | 6 | Daniel Spencer, . . | | 107 | 3 | 4 |
| | 7 | James Ingram, . . | | 19 | 3 | 2 |
| | 8 | John Brown, . . | | 21 | 2 | 6 |
| | 9 | Thomas Gibson, . . | | 3 | 3 | 4 |
| | 10 | Stephen Hardy, . . | | 97 | 10 | 0 |
| | 11 | Joseph Hopkins, . . | | 55 | 9 | 7 |
| | 12 | Thomas Oliver, . . | | 63 | 0 | 0 |
| | 13 | Edward Bishop, . . | | 26 | 4 | 9 |
| | 14 | Henry Pike, . . | | 4 | 2 | 10 |
| | 15 | William Robinson, . . | | 66 | 3 | 8 |
| | 16 | Edward Robson, . . | | 19 | 10 | 0 |
| | 17 | Patrick Usher, . . | | 10 | 6 | 0 |
| | 18 | Thomas Beckett, . . | | 46 | 15 | 11 |
| | 19 | Thomas Gray, . . | | 73 | 10 | 6 |
| | 20 | Hugh Harvey, . . | | 111 | 13 | 10 |
| | | Total, . . | | £.822 | 13 | 6 |

| <i>Dr.</i> | | <i>Cash.</i> | | | |
|------------|--|--------------|--------|---------|-------|
| Dates. No. | | | Folio. | Amount. | |
| | | | | £. | s. d. |
| 1 | To Cash received of H. Barfoot } for Costs, . . . } | | 20 | 0 | 0 |
| 2 | „ do. of Fra ^d Newman for } Costs, abated 17s. 7d. } | | 17 | 0 | 0 |
| 3 | „ do. of Thomas Johnson } year's Int ^t due to F. Newman, . . . } | | 15 | 0 | 0 |
| 4 | „ do. of D. Mowlan for Costs, } abated 2s. 6d. . . } | | 20 | 0 | 0 |
| 5 | „ do. of Ja ^s Ingram do. } abated 3s. 2d. . . } | | 19 | 0 | 0 |
| 6 | „ do. of Stephen Hardy do. } abated £.2 10s. - } | | 95 | 0 | 0 |
| 7 | „ do. of Tho ^s Oliver do. } | | 63 | 0 | 0 |
| 8 | „ do. of W ^m Robinson do. } abated 3s. 8d. . . } | | 66 | 0 | 0 |
| 9 | „ do. of Thomas Beckett do. } abated 15s. 11d. . } | | 46 | 0 | 0 |
| 10 | „ do. of Hugh Harvey do. } abated £.1 13s. 10d. } | | 110 | 0 | 0 |

This Am^t to be posted to the }
 Dr side of " Cash Acc^t " in the } £.471 0 0
Ledger, }

| Contra. | | | Cr. | | | |
|--|-----|--|--------|---------|----|----|
| Dates. | No. | | Folio. | Amount. | | |
| | | | | £. | s. | d. |
| 1 | | By Cash paid for Office Desks, &c. | | 20 | 0 | 0 |
| 2 | | „ do. Furniture, . . . | | 30 | 0 | 0 |
| 3 | | „ do. Stationery, &c. . . | | 10 | 2 | 6 |
| 4 | | „ do. Stamps for Con- veyance, Jones to Barfoot, . . . } | | 5 | 10 | 0 |
| 5 | | „ do. Clerks' Salaries, . . | | 3 | 10 | 0 |
| 6 | | „ do. Stamp for Bond, } Brown to Newman, } | | 5 | 0 | 6 |
| 7 | | „ do. Fra ^s Newman $\frac{1}{2}$ y ^{rs} } Int ^t rec ^d of Tho ^s } Johnson, . . . } | | 15 | 0 | 0 |
| 8 | | „ do. Fee to Counsel for op ⁿ re Mowlan, . . } | | 2 | 5 | 6 |
| 9 | | „ do. Salaries, . . . | | 3 | 10 | 0 |
| 10 | | „ do. Expenses of Jour- ney to London, re Ingram Purche, } | | 5 | 4 | 6 |
| 11 | | „ do. Stamps for Mort- gage, Brown to Oliver, . . . } | | 10 | 5 | 0 |
| 12 | | „ do. Salaries, . . . | | 3 | 10 | 0 |
| 13 | | „ do. Stationery, . . . | | 3 | 10 | 0 |
| 14 | | „ do. Stamps for Con- veyance, White to Harvey, . . . } | | 25 | 15 | 0 |
| 15 | | „ do. for Indre. of Appship. Wells to Harvey, . . . } | | 1 | 0 | 0 |
| 16 | | „ do. Salaries, . . . | | 3 | 10 | 0 |
| 17 | | „ do. Coal for Office, . . | | 1 | 10 | 0 |
| This Amount to be posted to the Cr side of " Cash Acc ^t " in Ledger } | | | | 149 | 3 | 0 |
| By Balance of Cash Receipts } beyond Cash Payments, . } | | | | 321 | 17 | 0 |
| | | | | £.471 | 0 | 0 |

| | | | | | | | |
|---------------|-----------|-----------|-----------|-----------------|-----------|-----------|------------|
| <i>Dr.</i> | | | | 14) Henry Pike. | | | <i>Cr.</i> |
| <i>Dates.</i> | <i>£.</i> | <i>s.</i> | <i>d.</i> | <i>Dates.</i> | <i>£.</i> | <i>s.</i> | <i>d.</i> |
| To Costs, | 4 | 2 | 10 | | | | |

| | | | | | | | | | |
|---------------------------------|----|---|---|-----------------|---|----|---|---|--|
| 15) Will ^m Robinson. | | | | | | | | | |
| To Costs, | 66 | 3 | 8 | By Cash, abated | } | 66 | 3 | 8 | |
| | | | | 3s. 8d. | | | | | |

| | | | | | | | |
|-----------|----|----|---|------------------------------|--|--|--|
| | | | | 16) Edw ^d Robson. | | | |
| To Costs, | 19 | 10 | 0 | | | | |

| | | | | | | | |
|-----------|----|---|---|-----------------------------|--|--|--|
| | | | | 17) Pat ^k Usher. | | | |
| To Costs, | 10 | 6 | 0 | | | | |

| | | | | |
|-------------------------------|----|----|----|-----------------|
| 18) Tho ^s Beckett. | | | | |
| To Costs, | 46 | 15 | 11 | By Cash, abated |
| | | | | 15s. 11d. |
| | | | | 46 15 11 |

| | | | | | | | |
|-----------|----|----|---|----------------------------|--|--|--|
| | | | | 19) Tho ^s Gray. | | | |
| To Costs, | 73 | 10 | 6 | | | | |

| | | | |
|------------------|-----------|---------------|-------------|
| 20) Hugh Harvey. | | | |
| To Costs, | 111 13 10 | By Cash, | } 111 13 10 |
| | | abated | |
| | | £.1 13s. 10d. | |

BILLS OF COSTS OR LAW ACCOUNT.

[illegible]

OFFICE EXPENSES.

[illegible]

OFFICE DISBURSEMENTS.

| Dates. | | | | Dates. | | | |
|---------------------------|------|----|----|--------------------------|------|----|----|
| To Cash for | £. | s. | d. | By Amount | £. | s. | d. |
| Stm ^{ps} for | | | | transferred | | | |
| Convey ^{ce} to | 5 | 10 | 0 | to debit of | 55 | 0 | 6 |
| Barfoot, .) | | | | P. & L. acc ^t | | | |
| | | | | fo. 17 | - | | |
| „ for Bond | | | | | | | |
| Brown to | 5 | 0 | 6 | | | | |
| Newman) | | | | | | | |
| „ Fee to | | | | | | | |
| Counsel ^{re} to | 2 | 5 | 6 | | | | |
| Mowlan,) | | | | | | | |
| „ Exp ^s to | | | | | | | |
| London, ^{re} | 5 | 4 | 0 | | | | |
| Ingram) | | | | | | | |
| Purche, .) | | | | | | | |
| „ Stp ^s for | | | | | | | |
| Mortgage | 10 | 5 | 0 | | | | |
| Brown to | | | | | | | |
| Oliver, .) | | | | | | | |
| „ Convey ^{ce} to | 25 | 15 | 0 | | | | |
| White to | | | | | | | |
| Harvey, .) | | | | | | | |
| „ Ind ^{re} of | | | | | | | |
| Appship. | 1 | 0 | 0 | | | | |
| Wells to | | | | | | | |
| Harvey, .) | | | | | | | |
| | £.55 | 0 | 6 | | £.55 | 0 | 6 |

PROFIT AND LOSS.

| Dates. | £. | s. | d. | Dates. | £. | s. | d. |
|---|--------------|----------|-----------|---|--------------|----------|-----------|
| To amount transferr ^d from Office | 79 | 2 | 6 | By Amount transf ^d from Law acc ^t fo. 15, .) | 816 | 6 | 10 |
| Expenses acc ^t fo. 15, .) | | | | | | | |
| „ do. from Office dis- b ^{ts} acc ^t fo. 16, . .) | 55 | 0 | 6 | | | | |
| „ am ^t of Profit, . .) | 682 | 3 | 10 | | | | |
| | <u>£ 816</u> | <u>6</u> | <u>10</u> | | <u>£ 816</u> | <u>6</u> | <u>10</u> |

CASH ACCOUNT.

| Dates. | £. | s. | d. | Dates. | £. | s. | d. |
|---|--------------|----------|----------|--|--------------|----------|----------|
| To Am ^{ts} of Receipt ^{ts} dr ^{ng} this Month, .) | 471 | 0 | 0 | By Am ^t of Payments dr ^{ng} this Month .) | 149 | 3 | 0 |
| | | | | „ Balance, | 321 | 17 | 0 |
| | <u>£ 471</u> | <u>0</u> | <u>0</u> | | <u>£ 471</u> | <u>0</u> | <u>0</u> |

Dr. **BALANCE SHEET.** Cr.

*Assets.**Liabilities nil.*

| | | | |
|--------------|-----|----|----|
| C. Curtis, . | 19 | 9 | 0 |
| B. Lambert | 20 | 5 | 0 |
| D. Spencer, | 107 | 3 | 4 |
| J. Brown, . | 21 | 2 | 6 |
| T. Gibson, . | 3 | 3 | 4 |
| J. Hopkins, | 55 | 9 | 7 |
| E. Bishop, . | 26 | 4 | 9 |
| H. Pike, . | 4 | 2 | 10 |
| E. Robson, . | 19 | 10 | 0 |
| P. Usher, . | 10 | 6 | 0 |
| T. Gray, . | 73 | 10 | 6 |
| Cash, | 321 | 17 | 0 |

£.682 3 10

Being the Amount of Profit
as shewn by the Profit and
Loss Account.





